

National Flood Insurance Program Policy Issuance 1-2001

Subject: NFIP Presentment of Premium Date

Background: The National Flood Insurance Program (NFIP) rules require that flood insurance applications and the premium be mailed promptly to the NFIP insurer, i.e., the Write-Your-Own (WYO) company or the NFIP Servicing Agent. The presentment of premium date is the date the premium is received at the office of the NFIP insurer, with three exceptions:

1. If the application and premium are received by the NFIP insurer within 10 days of the application date, the presentment of premium is considered to be made on the application date;
2. If the application and premium are sent by certified mail within four days of the application date, the presentment of premium is considered to be made on the application date; or
3. If the application and premium are received at the office of the NFIP insurer's "contract agent" (which includes an employee-producer), the presentment of premium is considered to have been made on that receipt date, unless the rule under Item 1 or Item 2 above results in an earlier date.

The NFIP encourages producers to submit flood insurance applications and premium by certified mail. Certified mail ensures the earliest possible effective date, even if the application and premium are received by the NFIP beyond 10 days from the application date. WYO companies are required to follow these rules when determining the presentment of premium date.

The question has arisen as to whether third party certifications such as Federal Express (FedEx), the United Postal Service (UPS), or courier services, and the like provide proof of receipt and delivery date similar to certified mail by the U.S. Postal Service.

Policy Decision: This is to clarify that the term "certified mail" includes third party delivery. Acceptable third party delivery entities include, but are not limited to FedEx, UPS, or courier services, and the like that provide proof of mailing. FIA will accept third party certification provided that such entity can produce sufficient documentation to show proof of the actual mailing date to the NFIP insurer.

Date

Howard Leikin
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